

Kechi Sales Tax Referendum

Overview

On Thursday, December 8, 2022, the City Council approved a resolution allowing voters to decide on a citywide 1.0% sales tax for general street and capital improvements.

Why Does Kechi need a sales tax?

Will enhance the quality of life for Kechi residents and visitors by funding projects associated with the Kechi Arts & Business District Master Plan. The City of Kechi was awarded a grant for phase one from WAMPO in the amount of \$1.5M and total project costs are estimated at \$2.5M-3.7M. The city needs to identify a dedicated revenue source to fund the difference and additional phases of the project. This is a large capital improvement project that will improve the overall aesthetics and walkability of the community.

Currently, Kechi does not have a local retail sales tax and this funding would stay in Kechi to help fund road and capital improvement projects. General sales tax revenue received is a percent of monies collected in Sedgwick County based on population of each city. This is an opportunity for Kechi to capture revenues from non-resident consumers patronizing Kechi businesses.

Why a one percent sales tax?

- A fair way to share the expenses of city improvements with visitors.
- For every \$1 spent in Kechi, \$0.01 would go to improve Kechi.
- Estimated to collect \$90K annually, equivalent to 3.4mills of property tax.

What is the difference between property tax and sales tax?

Property Tax

- Based on property value
- Paid by property owners
- Subject to mill levy increases
- No transference: Cost of streets burden
 solely on property owners

Sales Tax

- Based on price of goods sold
- Paid mostly by visitors
- Tool to keep the mill levy low
- Transference: Shares the cost of streets with those who use them

How do I vote

- Registration: Kechi residents may register to vote now through Jan. 17, 2023.
- **Election Day:** Feb. 7, 2023 polls are open 6 a.m. to 7 p.m. On this day, voters must vote at Kechi City Hall in the Community Room .

Please visit <u>www.kechiks.gov</u> for more information

Special Meeting Workshop on <u>Jan. 26, 2023 at 6 pm</u> at City Hall



